REMARKS

I. TECHNICAL OBJECTIONS

The Office Action correctly pointed out that Claim 66 cites "transition entries" instead of the correct "transaction entries". This mistake stemmed from a typographical error in the original claim set, and Claim 66 has been amended to correct it. Claims 119 and 162 also contain this typographical error, and have similarly been corrected. Applicant appreciates Examiner's initiative in assuming that the intended phrase was "transaction entries" and examining the claims on that basis.

The Office Action also correctly pointed out that Claims 68-77, Claims 95-104, and Claims 138-147 cite a "method" instead of the "system" defined in the independent claims they depend from. The claims have been amended to correct this.

Finally, the Office Action correctly pointed out that Claims 68-77 were labeled as "Original", when in fact they were new claims added in Amendment A. Because these claims have been amended to address the antecedency issue discussed above, they are no longer new – but rather have been correctly labeled as "Currently amended" in this amendment.

In the October 18, 2005 interview, it was agreed that the above amendments overcome the technical objections.

II. DOUBLE-PATENTING OBJECTIONS

The Office Action deemed Claim 105 to be essentially the same as Claim 52; Claim 115 to be essentially the same as Claim 62; Claim 121 to be essentially the same as Claim 78; Claim 94 to be essentially the same as Claim 137; Claim 148 to be essentially the same as Claim 52; and Claim 158 to be essentially the same as Claim 62.

The claims have been amended to address these concerns. Specifically, Claim 52 has been amended to define that the users interact with each other to complete the transaction; Claim 62 has been amended to emphasize that the users contact one another toward a completion of the transaction; and Claims 78 & 94 have been amended to further define the indication of interest as representing a non-firm expression of potential interest in transacting an item. Moreover, although this issue was not raised in the Office Action, Claims 105 & 115 have been amended to

define that the transferable item indication is a non-firm indication of interest – thereby further distinguishing these claims from Claims 148 and 158 respectively.

The above amendments are all supported in the specification, and as agreed in the interview, they render these claims distinct from one another and thus overcome the double-patenting objections.

III. PRIOR ART REJECTIONS

As a preliminary matter, Applicant notes that Claim 44 was not objected to or rejected on any basis in the body of the Office Action. In addition, Claims 105-114, 115-120, 121-136, 137-147, 148-157, and 158-163 were not rejected based on any prior art. Accordingly, if this amendment does not result in allowance, Applicant respectfully requests that the next Office Action be non-final, so Applicant will have at least one chance to overcome a prior art rejection of these claims.

A. INDEPENDENT CLAIMS 1, 18, 35, 51, 78, AND 94 - REJECTED AS ANTICIPATED BY SILVERMAN # 5,924,082

Claims 1, 18, and 35 Are Distinctly Different In The Type Of Contact They Define.

The Office Action (page 6) states that the only difference between Claim 1 and Claims 18 & 35 is the recitation of "notification" vs. "disclosing of contact means". This is not correct. There is a major difference among these three claims, involving the type of contact they define. Claim 1 defines that the contact is between a party's representative and the other party (i.e., rep-party); whereas Claim 18 defines that the contact is between the representatives of the parties (i.e., rep-rep); and Claim 35 defines that the contact is between the contraparties themselves (i.e., party-party). Thus a rejection that might apply to one of these three claims does not necessarily apply to the others.

Silverman Does Not Disclose The Use Of Representatives.

The Office Action (page 3) states that Silverman discloses at Col. 4, lines 39-41 that the authorized representative of the contraparties is notified of a match. This is not correct. Silverman does not mention representatives – instead, he states that "If potential transactions are

identified, the *respective parties* are notified so that they may begin negotiation".

Relatedly, the Office Action (page 3) states that Silverman discloses at Col. 4, lines 39-41 that contacting means are provided to the authorized representative to allow the representative to contact the contraparties. This is also not correct. Again, Silverman does not disclose the use of representatives – his contact is contraparty to contraparty.

Silverman Does Not Disclose Receiving Indications of Interest or Prospective Transaction Entries Via An Integrated Order Management System.

Notwithstanding the above, Claims 1, 18, 35, 51, 78, and 94 have been amended to distinctly define that the indications of interest are received via an integrated order management system (OMS). As discussed in the interview, the Office Action did not reject Claims 121 and 137 using any prior art, but for convenience these claims have also been amended to contain the same defining language. There is ample support for the amended language in the specification, beginning at paragraph 185 which specifically discusses that "the indication requirements of the system may be directly integrated with one or more of any of the available buy side order management systems (OMS)", and cites several examples of such systems.

The amended language overcomes the Office Action rejections, because Silverman neither discloses nor contemplates anything other than input through individual user terminals.

It Would Not Be Obvious To Modify Silverman To Receive Indications Of Interest Via An Integrated Order Management System.

1. Input Through Individual Terminals Is a Basic Operating Principle of Silverman.

Input through individual terminals is a basic operating principle of Silverman, emphasized time and again in his disclosure and claims. Just a few examples follow:

- "The system contemplates a plurality of remote terminals whereby a large number of users have simultaneous access to the negotiated matching system" – Col. 6, lines 21-23.
- "[T]he present invention includes a matching computer; *a plurality of remote terminals corresponding to a plurality of users*, wherein the remote terminals enable the users to enter transaction data and ranking data into the system" – Col. 5, lines 35-39.

- "A method of identifying potential counterparties to a transaction according to the present invention includes the steps of receiving ranking data and transaction data from *a plurality of remote terminals corresponding to a plurality of counterparties*" – Col. 5, lines 49-53.

Indeed, Silverman *teaches against* having more than one user per input path, by emphasizing in the above passages that the number of user terminals must correspond to the number of users/counterparties.

Altering such a basic operating principle as Silverman's individual input terminals would not be obvious, as stated in MPEP 2143.01: "If the proposed modification or combination of the prior art would change the principle of operation of the prior art invention being modified, then the teachings of the references are not sufficient to render the claims prima facie obvious. *In re Ratti*, 270 F. 2d 810, 123 USPQ 349 (CCPA 1959)".

2. Modifying Silverman to Receive Indications of Interest or Prospective Transaction Entries Via An Integrated OMS Would Defeat The Functionality of His Individualized Ranking / Filtering Feature.

Key portions of Silverman's invention demand individual interaction with his system – the sort of individual interaction that is readily available through individual user terminals, but not via an integrated OMS. For example, in using Silverman's ranking/filtering feature, each user individually inputs his ranking/filtering preferences into Silverman's system. This can be easily done through individual user terminals, but not via an integrated OMS which makes use of only the data available in the OMS. Modifying Silverman to receive indications of interest or prospective transaction entries via an integrated OMS would disable his ranking/filtering feature – an important part of his invention – and thus such a modification would not be obvious:

> A modification which renders the prior art unsatisfactory is not obvious, as stated in MPEP 2143.01: "If [the] proposed modification would render the prior art invention being modified unsatisfactory for its intended purpose, then there is no suggestion or motivation to make the proposed modification. *In re Gordon*, 733 F. 2d 900, 221 USPQ 1125 (Fed. Cir. 1984)".

3. General Considerations

More generally, receiving indications of interest via an integrated OMS raises significant integration and confidentiality issues that are difficult to solve. It involves much more than a mere aggregation of user terminals, and is anything but obvious. First, the data structures of these OMS's are all different, so adapting to the differences among them is very difficult.

Second, the indications of interest are often differently-structured even within the same OMS. With each integrated OMS, the central processing system receives indications of interest from many different people via a single input path. These indications of interest are often differently-structured for each person - whereas with aggregated user terminals, they would not be. This makes the integration task even more difficult.

Third, these OMS's are pre-existing – they are separately-owned, serve other purposes, and are used for other things. This makes integrating them much different than merely aggregating the user terminals in Silverman. It is simply not obvious to plug into them in such a way as to extract the indications of interest or prospective transaction entries, which as discussed above often have different data structures, parameters, etc.

The significant difference between individual terminal input and an integrated OMS can be summed up in this way: with individual terminal input, the user is adapting to the central processing system's data structure and procedures – whereas with an integrated OMS, the central processing system has to adapt to each OMS's data structure and procedures. Simply aggregating Silverman's user terminals would not alter this important difference.

B. INDEPENDENT CLAIMS 52 AND 62 – REJECTED AS ANTICIPATED BY SILVERMAN # 5,924,082

Silverman Does Not Disclose The Data Security Component Defined In Claim 52.

The Office Action (page 8) states that Col. 3, line 65 to Col. 4, line 3 of Silverman describes a data security component that restricts access to a prospective transaction entry to the user identities corresponding to or including that entry. This is not correct.

The relied-on lines of Silverman read:

> "It is another object of the present invention to provide a negotiated trading system which accommodates the numerous complex and non-standardized *exposure evaluation procedures* of various financial institutions within a single automated trading system while *preserving the confidentiality of these procedures*."

Silverman discusses confidentiality only very generally, and does not disclose any of the particular details defined in these claims. Moreover, the thrust of Silverman's confidentiality is significantly different than the invention's. Silverman is concerned about keeping secret the "complex and non-standardized exposure evaluation procedures" of the parties, and to a lesser extent the identity of the parties. In contrast, an important aspect of the invention's confidentiality is to prevent moving the market with a large prospective trade. Thus, the invention also keeps the *prospective transaction entry* confidential – that is, the fact that someone (even if unidentified) is interested in buying or selling a large block of a certain stock or other item. Silverman is ignorant of this, and doesn't mention it anywhere in his disclosure.

Silverman Does Not Disclose The Restricted Access Defined In Claim 62.

The Office Action (page 11) states that Col. 7, lines 43-45 of Silverman describes restricting access to any given prospective transaction entry to (i) the user identity corresponding to the given entry, and (ii) the user identities corresponding to the other entries in any of said sets of entries that includes the given entry. This is not correct.

The relied-on lines of Silverman read:

> "If a match between a bid and an offer is identified, the matching computer 11 then freezes (places on hold) the bid and offer so that it is not displayed to other users."

Silverman is not describing here the aspect of confidentiality and restricted access defined in the claim. Instead, he is describing locked-up bidding vs. not-locked-up (competitive) bidding after a match is identified. This has to do with the *number of parties* that participate in negotiation after a match, *not* confidentiality or data security. As discussed in Silverman's disclosure, the freezing operation merely marks the bid or offer as "taken" - it is not a confidentiality measure, because the bid or offer has already been distributed to the users (see Step 208 of Figure 2). Notably, the relied-on passage is contained in Silverman's Matching Operation section, and this underscores what the passage describes.

Silverman Does Not Disclose The *User Page* Data Security Component/Restricted Access Defined In Dependent Claims 56 & 65.

The Office Action (page 8) states that Col. 4, lines 28-33 of Silverman discloses the further data security component/restricted access detail defined in these claims – that is, the *user pages*. This is not correct.

The relied-on lines of Silverman read:

> "The negotiated matching system according to the present invention includes a plurality of remote terminals associated with respective potential counterparties and a communications network for permitting communication between the remote terminals and a matching computer and between the remote terminals themselves."

The above does not describe any aspect of confidentiality or data security as defined in the claims – much less the specific *user page* structure. In fact, nowhere in his disclosure is the user page structure mentioned.

Silverman Distributes All The Received Bids And Offers To The Users of His System

Not surprisingly (because he is only concerned with the confidentiality of exposure evaluation procedures and to some extent user identities), Silverman distributes all the received bids and offers to the users of his system. Figure 2 of Silverman makes this clear – after a bid or offer is received in Step 205, Silverman attempts to match it in Step 206, but also simultaneously distributes it to the users of his system in Step 208.

Silverman Does Not Disclose Keeping The *Unmatched* Indications of Interest Confidential, As In The Amended Claims.

Notwithstanding the above, Claims 52 and 62 have been amended to distinctly define that the data security component/restricted access keeps any given indication of interest or prospective transaction entry confidential *even if it is unmatched*. As discussed in the interview, the Office Action did not reject Claims 105, 115, 148, and 158 using any prior art, but for convenience these claims have also been amended to contain the same defining language.

There is ample support for the amended language in the specification - as just one example, the abstract states that "transaction information remains confidential until a match occurs". Thus, unmatched indications of interest or prospective transaction entries are kept confidential. In

contrast to Silverman, no one ever knows that someone was interested in buying, say, 2 million shares of IBM common – except of course the prospective buyer and if matched, the prospective seller.

The amended language overcomes the Office Action rejections, because no matter what one might argue about Silverman's matching process conveying confidentiality to matched indications of interest, he clearly does not keep unmatched indications of interest confidential. Instead, as discussed above, Silverman distributes his unmatched bids/offers widely among his users, as indicated in Figure 2 and in his disclosure:

> "[I]f no matches are identified, the bids and offers are distributed to the users of the system as described below" – Col. 8, lines 6-8.

This language makes it clear that Silverman contemplates releasing unmatched bids/offers to at least some, if not all, of his users. If Silverman had not intended this, the language would have instead read "The unmatched bids/offers are distributed or not distributed to the users of the system, depending on....".

Silverman's Filtering System Cannot Reasonably Be Considered To Be The Data Security Component Defined In The Amended Claims.

Silverman's filtering system does not function as a data security component. Indeed, to meet the amended claims and keep the unmatched bids/offers confidential, *every user* would have to use filtering – that is, *no user* could select the no-filtering display mode. That is unreasonable. Silverman has his no-filtering display mode for a reason, and it's likely that at least one of his many users would take advantage of it, thereby gaining exposure to unmatched bids/offers other than his own.

Moreover, to meet the amended claims, *every user* would have to use a *complete filter* – that is, set his filter preferences to filter out everything but bids/offers exactly counter to his own. This is unreasonable to expect, and certainly Silverman does not contemplate it.

Further, Silverman's filtering feature is user-controlled, not system-controlled. Thus, it cannot function to keep the bids/offers confidential if the users don't wish that to be so. Put another way, calling the filtering feature a data security component is like calling something a home security system when it allows intruders to choose the entry code.

It would Not Be Obvious To Modify Silverman To Have The Data Security Component / Restricted Access Defined In The Amended Claims.

First and foremost, distributing the content of bids and offers (i.e., a bid to buy 1 million shares of IBM common) is an integral, important part of Silverman's invention. He considers it advantageous to do so, because even if a given bid or offer does not have a match in his system, it still might engender interest or generate a counteroffer when exposed to his user base. Silverman is ignorant of the market-movement effect of making public an interest in buying or selling a large block of stock.

Indeed, distributing the bids and offers makes Silverman's filter/no-filter display modes – an important feature of his invention – possible. Changing such a basic operating principle would not be obvious, as stated in MPEP 2143.01: "If the proposed modification or combination of the prior art would change the principle of operation of the prior art invention being modified, then the teachings of the references are not sufficient to render the claims prima facie obvious. *In re Ratti*, 270 F. 2d 810, 123 USPQ 349 (CCPA 1959)".

In addition, clearly the invention and Silverman solve different problems in terms of confidentiality. As earlier discussed, Silverman is concerned with keeping confidential various exposure evaluation procedures, and to a lesser extent user identities. Silverman does not care about keeping the content of the bids and offers confidential. In contrast, a key object of the invention is solving the problem of market (price) movement when large blocks are traded – the exact opposite of what Silverman wants to do. Applicant cites *Wright*, 6 USPQ 2d 1959 (1988) as support that solving a different problem than the prior art militates towards patentability.

IV. DEPENDENT CLAIMS

Finally, because amended independent claims 1, 18, 35, 51, 52, 62, 78, 94, 105, 115, 121, 137, 148, and 158 now define patentably over the prior art, their respective dependent claims 2-17, 19-34, 36-50, 68-77, 53-61, 63-67, 79-93, 95-104, 106-114, 116-120, 122-136, 138-147, 149-157, and 159-163 also define patentably for the same reasons.

INVENTOR INTERVIEW SUMMARY

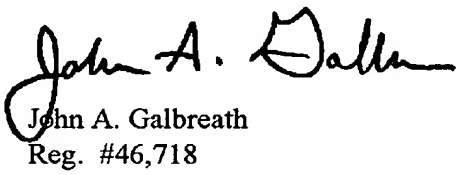
Pursuant to MPEP § 2281, Inventor hereby adopts the substance of the 10/18/05 interview noted on the Interview Summary. Specifically, an in-person interview took place between Inventor Examiner, and the Art Unit Supervisor. All the independent claims were discussed. It was

agreed that the proposed changes addressed the technical objections and overcame the double-patenting objections. It was also agreed that the proposed changes appeared to overcome the prior art, pending a further review by Examiner.

CONCLUSION

For all of the above reasons, Applicant submits that the claims all define patentably over the prior art. Therefore Applicant submits that this application is now in condition for allowance, which action they respectfully solicit.

Respectfully,



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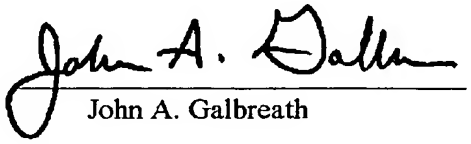

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